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Legislative Notice

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S. 4 — Legislative Line Item Veto Act of 1995 **The Dole Substitute**

Update Update Update

Calendar No. 26

NOTEWORTHY

- Yesterday, Majority Leader Dole, supported by the vast majority of his Republican colleagues, offered a comprehensive substitute to S. 4, the Dole-McCain-Coats legislative line-item veto bill currently under consideration by the Senate.
- The substitute would replace the language in S. 4 (which provides enhanced rescission authority to the President) with legislation designed to mandate the separate enrollment of all spending bills, as well as legislation which contains new or expanded direct spending programs (generally, entitlements) or targeted tax benefits.
- A cloture petition was filed on the substitute last night; the petition will ripen Wednesday. Cloture votes are also likely Thursday and Friday of this week.
- No official word of the Administration's position was available; however, the President issued a statement to the press yesterday urging the Senate "to pass the strongest possible line-item veto, and to make it effective immediately."

HIGHLIGHTS

Comprehensive Dole Substitute Covers Spending, New Entitlements, Targeted Tax Expenditures

Senate Republicans have joined with the 85 percent of Americans who want to see the President have the power to police pork in the budget. But discretionary spending will account for less than 20 percent of the Federal budget in fiscal year 1996, so Republicans strengthened their legislation to give the Presidency power to tackle entitlements -- the largest section of the budget. As well, the Dole substitute puts special-interest tax breaks in the cross-hairs of the line-item veto.

More specifically, the legislation provides for separate enrollment of the following:

Appropriations Bills, the Dole substitute requires the same level of detail on the allocation of funds as in the committee report. Items in an appropriations bill means any numbered section, unnumbered paragraph, or any allocation or suballocation of funds contained in a numbered or unnumbered paragraph;

Tax legislation, targeted tax benefits must be reported as separate items, with the details contained in the committee report. A targeted tax benefit is defined as any provision estimated by the Joint Committee on Taxation as losing revenue within the period defined by the concurrent budget resolution and having the effect of providing more favorable tax treatment to a particular taxpayer, or limited group of taxpayers, when compared with other similarly situated taxpayers;

Direct spending, authorizing committees must report those provisions as separate items, with the committee report detailing those items. Items in authorizing bills are defined as any numbered section or any unnumbered paragraph that contains new direct spending -- as defined in section 250(c)8 of the Balanced Budget and Emergency Deficit Control Act -- or a new targeted tax benefit.

The same requirements would apply to any conference reports treating such legislation. If the Senate attempted to take up legislation that did not meet these requirements, any Senator could raise a point of order against considering the legislation. A three-fifths vote would be necessary to waive the point of order.

Legislation Separately Enrolled

Upon final passage, the Clerk of the House (for bills beginning with H.R.) or the Secretary of the Senate (for bills beginning with S.) shall direct the enrolling clerk to enroll each item of the affected legislation separately. Each item will be enrolled without substantive

revision, conform to the norms of enrollment, bear a distinguishing designation, and be deemed a bill under the Constitution.

Veto Process Constitutional Norm

As each separate item would be presented to the President as a bill, he would enjoy the same rights he has now: within 10 days, excluding Sundays, he would have to choose to sign, veto, pocket-veto, or allow the bill to become law without his signature.

If the President vetoed a bill, the legislative branch would enjoy the same rights it has now: the house to which the veto was returned could attempt, at any point during the Congress, to override the veto. If two-thirds of those present and voting chose to override the President's veto, the veto would go to the other house and, if it too chose to override the President's veto, the legislation would become law. If a veto was not overridden, it would stand.

Bill Sunsets in 2000

The Dole substitute would sunset on September 30, 2000, to allow Congress the ability to evaluate the effectiveness of the legislation.

ADMINISTRATION POSITION

No Statement of Administration Position was available on the Dole Substitute to S. 4 at press time. However, at a joint hearing of the House Committee on Government Reform and Oversight and the Senate Committee on Governmental Affairs on January 12, 1995, Dr. Alice Rivlin, director of OMB, testified on behalf of the Clinton Administration, and expressed support for S. 4 , as introduced, and for H.R. 2, which the House subsequently passed.

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